PIONEER MARINE INC.
AND ITS SUBSIDIARIES

Consolidated Financial Statements
Year ended December 31, 2022

Index to audited consolidated financial statements

Independent auditor's report

To the Shareholders of Pioneer Marine Inc.

Our opinion

We have audited the accompanying consolidated financial statements of Pioneer Marine Inc. and its subsidiaries (together, the "Company") for the year ended December 31, 2022 which comprise the consolidated balance sheet as of December 31, 2022, the consolidated statement of profit and loss, the consolidated statement of shareholders' equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers S.A.

July 28, 2023
Athens, Greece

Pioneer Marine Inc. and its Subsidiaries
Consolidated Balance Sheet
(In thousands of U.S. Dollars except per share data)

	Notes	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	3	478	2,576
Trade accounts receivable and accrued revenue		20	463
Inventories	4	-	54
Prepayments and other receivables		219	653
Total current assets		**717**	**3,746**
Non-Current assets			
Vessels, net	5	-	7,020
Total non-current assets		**-**	**7,020**
Total assets		**717**	**10,766**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		66	838
Due to related parties	15	11	3
Deferred revenue		-	69
Total current liabilities		**77**	**910**
Total liabilities		**77**	**910**

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc. and its Subsidiaries
Consolidated Balance Sheet
(In thousands of U.S. Dollars except per share data)

	Notes	December 31, 2022	December 31, 2021
Commitments and contingencies	6	-	-
Shareholders' equity	7		
Common Stock, $0.001 par value; 500,000,000 shares authorized; 25,463,715 issued and outstanding as at December 31, 2022 and as at December 31, 2021		25	30
Additional paid in capital	7	130,060	158,718
Treasury Stock, $0.001 par value nil as at December 31, 2022 and, 4,867,832 shares repurchased as at December 31, 2021		-	(12,331)
Accumulated other comprehensive loss		(24)	(24)
Accumulated deficit		(129,421)	(136,537)
Total shareholders' equity		**640**	**9,856**
Total liabilities and shareholders' equity		**717**	**10,766**

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc. and its Subsidiaries
Consolidated Statement of Profit and Loss
(In thousands of U.S. Dollars except per share data)

	Notes	**Year ended December 31, 2022**	**Year ended December 31, 2021**
Revenue, net	9	**420**	**27,616**
Voyage expenses	10	(35)	(920)
Vessel operating expenses	10	(262)	(12,251)
Dry-docking expenses		-	(708)
Charter hire expenses		-	(2,218)
Depreciation	5	(43)	(3,550)
General and administrative expenses		(375)	(2,880)
Gain on vessels disposal	5	6,965	8,888
Gain on disposed subsidiaries		-	63
Impairment charge	5	-	(9,028)
Other income /(expenses) and taxes, net		445	(1,050)
Total income/(expenses), net		**6,695**	**(23,654)**
Interest expenses and finance costs, net	11	-	(1,308)
Interest income		1	1
Net income		**7,116**	**2,655**
Net income per share, basic and diluted- $	13	0.28	0.10

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc. and its Subsidiaries
Consolidated Cash flow Statement
(In thousands of U.S. Dollars except per share data)

	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows from operating activities		
Net income	7,116	2,655
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	43	3,550
Amortization of deferred finance fees	-	421
Gain on vessel disposal	(6,965)	(8,888)
Impairment charge	-	9,028
Gain on disposed subsidiaries	-	(63)
Write off of other receivable	-	52
(Increase)/decrease in operating assets:		
Trade accounts receivable and accrued revenue	443	3,718
Inventories	192	1,522
Prepayments and other receivables	434	(97)
(Decrease)/increase in operating liabilities:		
Accounts payable and accrued liabilities	(772)	(2,487)
Deferred revenue	(69)	(714)
Due to related parties	8	(3)
Net cash provided by operating activities	**430**	**8,694**
Cash flows from investing activities		
Payments for vessel acquisitions and improvements	-	(146)
Cash proceeds from vessel sale	13,804	126,437
Deconsolidation of subsidiaries	-	(159)
Purchase of other fixed assets	-	(14)
Cash proceeds from disposal of subsidiaries	-	1
Net cash provided by investing activities	**13,804**	**126,119**

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc. and its Subsidiaries
Consolidated Cash flow Statement
(In thousands of U.S. Dollars except per share data)

	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows from financing activities		
Loan repayments and prepayments	-	(61,163)
Dividends paid	(16,332)	(96,507)
Net cash used in financing activities	**(16,332)**	**(157,670)**
Net decrease in cash and cash equivalents	**(2,098)**	**(22,857)**
Cash and cash equivalents at the beginning of the year	2,576	25,433
Cash and cash equivalents at year end	**478**	**2,576**

The accompanying notes are an integral part of these consolidated financial statements

Pioneer Marine Inc. and its Subsidiaries
Consolidated statement of shareholders' equity
(In thousands of U.S. Dollars except per share data)

	Number of shares	Common stock	Additional paid in capital	Accumulated other comprehensive income/(loss)	Treasury stock	Accumulated deficit	Total
Balance, December 31, 2020	**25,463,715**	**30**	**255,225**	**(24)**	**(12,331)**	**(139,192)**	**103,708**
Dividends paid (Note 7)	-	-	(96,507)	-	-	-	**(96,507)**
Net income	-	-	-	-	-	2,655	**2,655**
Balance, December 31, 2021	**25,463,715**	**30**	**158,718**	**(24)**	**(12,331)**	**(136,537)**	**9,856**
Dividends paid (Note 7)	-	-	(16,332)	-	-	-	**(16,332)**
Cancellation of Treasury Stock (Note 7)	-	(5)	(12,326)	-	12,331	-	-
Net income	-	-	-	-	-	7,116	**7,116**
Balance, December 31, 2022	**25,463,715**	**25**	**130,060**	**(24)**	**-**	**(129,421)**	**640**

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation and General Information:

Pioneer Marine Inc. (the "Company") together with its subsidiaries is a global drybulk handysize transportation service provider. Pioneer Marine Inc. was incorporated in the Republic of the Marshall Islands on February 14, 2014.

On June 23, 2021, a special meeting of the shareholders was held where it was recommended and approved that: a) all or substantially all of the assets of the Company will be sold or disposed-consisting of the vessels or their vessel owning subsidiaries, and b) following those sales, the company may be dissolved, both of which are subject to Board of Directors approval.

All of Company's vessels entered into Memoranda of Agreement for their sale, following the respective approval from the Board. Vessels were delivered to their new owners throughout various dates within the year and up to February 22, 2022, when the last vessel M/V Resolute Bay was disposed, therefore the main portion of Company's operations (transportation of dry bulk commodities) was discontinued gradually within this period. Total gain from these transactions amounts to $6,965 thousand for the year ended December 31, 2022 and $8,888 thousand for the year ended December 31,2021 and is presented in the accompanying consolidated statement of Profit and Loss under Gain on vessels disposal, refer also to Note 5.

On September 30, 2021, the Company signed a share purchase agreement with Pioneer Shipholding Co. for the sale of 100% of the shares of its wholly owned management subsidiaries, namely Pioneer Marine Hellas S.A., Pioneer Chartering S.A. and Pioneer Marine Advisers Pte Ltd. Pioneer Shipholding Co. is a related company controlled by Mr. Papoulis (CEO of Pioneer Marine Inc.) and Mrs. Tapaktsoglou (CFO/Director of Pioneer Marine Inc).

Following the completion of shares transfer and the deconsolidation of the aforementioned subsidiaries for the agreed consideration of $1 thousand the net liabilities and associated personnel were transferred to Pioneer Shipholding Co. The assets and liabilities disposed through this transaction qualify for discontinued operations as of September 30, 2021 and the business of provision of management services ceased as at the same date.

The difference between the carrying value of the identifiable net liabilities sold as of September 30, 2021, and the sale proceeds, net of related expenses, resulted in a gain on sale of $63 thousand, which is presented under the line item "Gain on subsidiaries disposal" in the accompanying consolidated statement of Profit and Loss.

On March 14, 2022 a related party to the Company, acquired 21,015,384 shares of Company's issued and outstanding shares held at that time by Company's major shareholder.

As of December 31, 2022, Pioneer, Marine Inc. owns 100% of the interests of the following subsidiaries:

Company name	Date of incorporation	Date of cancellation
Pioneer Marine Trading LLC (1)	September 23, 2013	-
Bay Trading LLC (1)	November 12, 2013	-

Dormant Companies

Company name	Date of incorporation	Date of Vessel Disposal
PNR Resolute LLC (1)	September 14,2016	February 22,2022
PNR Marine Trading VI LLC (1)	November 5, 2013	April 14,2021

(1) Incorporated under the laws of the Republic of the Marshall Islands.

1. Basis of Presentation and General Information- continued:

<u>Dormant Companies-cancelled</u>

Name	Date of incorporation	Date of cancellation	Date of Vessel Disposal
PNR Marine Trading II LLC (1	September 23, 2013	May 28, 2021	April 10,2019
PNR Marine Trading IX LLC (1)	December 11, 2013	May 28, 2021	January 17, 2020
PNR Guoyu I, LLC (1)	September 18, 2013	May 28,2021	August 13, 2020
PNR Marine Trading IV LLC (1	September 23, 2013	May 28,2021	October 23, 2020
PNR Tenacity LLC (1)	April 1, 2014	May 28,2021	December 18,2019
Pioneer Marine Acquisitions LLC (1)	September 24, 2013	November 30,2021	-
Way Point Marine Inc. (1)	July 24, 2014	May 28,2021	-
Pioneer Marine Commercial SA (1)	July 5, 2019	November 30,2021	-
PNR Marine Trading I LLC (1)	September 23, 2013	November 30,2021	March 8,2021
PNR Marine Trading VIII LLC (1)	December 11, 2013	November 30,2021	October 19,2021
PNR Marine Trading X LLC (1)	December 11, 2013	November 30,2021	October 25,2021
PNR Marine Trading XII LLC (1)	February 6, 2014	November 30,2021	July 27,2021
PNR Marine Trading XIII LLC (1)	February 6, 2014	November 30,2021	September 7,2021
PNR Alsea LLC (1)	April 3,2018	November 30,2021	April 22,2021
PNR Monterey LLC (1)	April 3,2018	November 30,2021	June 29,2021
PNR Liberty LLC (1)	April 3,2018	November 30,2021	March 19,2021
Pioneer Marine LLC (1)	September 12, 2013	April 11,2022	-
PNR Guoyu II, LLC (1)	September 18, 2013	April 14,2022	October 27,2021
PNR Marine Trading III LLC (1)	September 23, 2013	November 1,2022	April 6,2021
PNR Marine Trading V LLC (1)	November 5, 2013	November 1,2022	June 16,2021
PNR Marine Trading XI LLC (1)	February 6, 2014	November 1,2022	July 9,2021

(1) Incorporated under the laws of the Republic of the Marshall Islands.
(2) Incorporated under the laws of Singapore.
(3) Incorporated under the laws of India.

2. Significant Accounting Policies:

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies are set out below.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the entities listed in Note 1 (the "subsidiaries"). Income and expenses of subsidiaries are included in the consolidated statements of operation from the effective date of acquisition and up to the effective date of disposal, as appropriate. All significant intercompany balances and transactions are eliminated upon consolidation.

Accounting estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. Significant estimates include the residual value and the useful life of vessels.

2. Significant Accounting Policies- ***continued:***

Going concern

The Company evaluates whether there is substantial doubt about its ability to continue as a going concern by applying the provisions of ASU No. 2014-15. In more detail, the Company evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued. As at December 31, 2022 the Company's current assets totalled $717 thousand while current liabilities totalled $77 thousand, resulting in a positive working capital of $640 thousand. The Company's assessment indicates its ability to continue its operation for a period of at least 12 months from the date of issuance of these financial statements. The Company did not identify any conditions that raise substantial doubt about the entity's ability to continue as a going concern within one year from the date the financial statements are issued. Management is furthermore exploring various opportunities to expand in the dry bulk market.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with an original maturity of three months or less and which are not restricted for use or withdrawal.

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18—Statement of Cash Flows (Topic 230) - Restricted Cash, which addresses the requirement that a statement of cash flows explain the change during the period in the total of cash and cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. On January 1, 2018, the Company adopted the aforementioned ASU.

Treasury stock

Treasury stock is stock that is repurchased by the issuing entity, reducing the number of outstanding shares in the open market. When shares are repurchased, they may either be cancelled or held for reissue. If not cancelled, such shares are referred to as treasury stock. Treasury stock is essentially the same as unissued capital and reduces ordinary share capital. The cost of the acquired shares should generally be shown as a deduction from stockholders' equity. Gains and losses on sales of treasury stock should be accounted for as adjustments to stockholders' equity and not as part of income. Depending on whether the shares are acquired for reissuance or retirement, treasury stock is accounted for under the cost method or the constructive retirement method. The cost method is also used, when reporting entity management has not made decisions as to whether the reacquired shares will be retired, held indefinitely, or reissued. The Company elected for the repurchase of its common shares to be accounted for under the cost method. Under this method, the treasury stock account is charged for the aggregate cost of shares reacquired. Upon Company's decision to retire the shares, the shares are deducted from Company's common stock and the Treasury stock is set off with Additional Paid in capital amount (refer to Note 7).

Trade accounts receivable, net

Trade accounts receivable reflect receivables from charterers for hire, freight and demurrage billings, net of provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. There is a provision of $96 thousand for the year ended December 31, 2022 ($301 thousand as of December 31, 2021).

2. Significant Accounting Policies-*continued*

Foreign currencies

The consolidated financial statements of the Company are presented in U.S. dollars which is the functional currency of Pioneer Marine Inc. and its subsidiaries.

Transactions in currencies other than the U.S. dollar are recorded at the rate of exchange prevailing on the dates of the transactions. Any change in exchange rate between the date of recognition and the date of settlement may result in a gain or loss which is recognized in the consolidated statement of Profit and Loss as incurred. At the end of each reporting period, monetary assets and liabilities denominated in a currency other than the functional currency are retranslated into U.S. dollars at rates prevailing at that date and all resulting exchange differences are recognized in the consolidated statement of Profit and Loss.

Inventories

Inventories consist of bunker fuel on board when vessels are unemployed or are operating under voyage charters and lubricating oils on board vessels. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in first out method. Stores and spares are charged to vessel operating costs when purchased.

Vessels, net

Vessels are stated at cost, less impairment and accumulated depreciation. The cost of vessels purchased consists of the contract price, less discounts, plus any direct expenses incurred upon acquisition, broker commission paid, delivery expenses and other expenditures to prepare the vessel for initial voyage. Subsequent expenditures for conversion and major improvements are also capitalised when they appreciably extend the life, increases the earnings capacity or improve the efficiency or safety of the vessels.

Impairment of long-lived assets

The Company reviews its tangible fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

In evaluating useful lives and carrying values of long-lived assets, the Company reviews certain indicators of potential impairment, such as market values, vessel sales and purchases, business plans and overall market conditions. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets.

In developing estimates of future undiscounted cash flows, the Company makes assumptions and estimates about the vessels' future performance, with the significant assumptions being related to charter rates, fleet utilization, operating expenses, capital expenditures, residual value and the estimated remaining useful life of each vessel and taking into account historical revenue data and published forecasts on global economic growth and inflation. The Company determines the fair value of its vessels based on third party valuations and the use of available market data.

To the extent impairment indicators are present, the Company determines undiscounted projected net operating cash flows for each vessel and compares them to their carrying value.

If the carrying value of the related asset exceeds the undiscounted future net cash flows, the carrying value is reduced, by recording a charge to operations, to its fair value.

2. Significant Accounting Policies- *continued*:

Dry-docking and special survey expenses

Dry-docking and special survey expenses are expensed in the period incurred.

Revenue from Contracts with Customers and Expenses

Vessel revenue consists of voyage revenue, time charter revenue and revenue from commercial services. On January 1, 2018, the Company adopted ASU 2014-09 (Topic 606) using the modified retrospective method. Its adoption mainly changed the method of recognizing revenue over time for voyage charters from the discharge-to-discharge method to the loading-to-discharge method. Under the loading-to-discharge method the commencement date of each voyage charter shall be deemed to be upon the loading of the current cargo, decreasing the period of time for recognizing revenue for voyages. Demurrage income estimate is included in revenue upon occurrence of the delays only to the extent that is probable that there will not be a significant reversal of revenue in future period, using the "most likely amount method". Dispatch will follow the same recognition approach as Demurrage income and both variable considerations will be allocated consistently with the recognition of freight revenue.

With respect to the recognition of voyage charters costs, the related costs (i.e. commissions) continue to be expensed as incurred, on the basis that the Company's voyage charters do not exceed one year. Under ASC 606, for voyage charters, the Company capitalizes the direct costs, which are voyage expenses, of relocating the vessel to the load port to be amortized during transport of the cargo. On December 31, 2020 and December 31, 2019, the costs related to voyages that were not yet completed were nil.

The Company adopted ASU 2014-09 on January 1, 2018, using the modified retrospective transition method applied to those spot market voyage charter contracts which were not completed as of January 1, 2018.

Leases

On January 1, 2019, the Company adopted ASU No. 2016-02, Leases (ASC 842), as amended from time to time, using the modified retrospective transition method. The Company elected to apply the additional and optional transition method to existing leases at the beginning of the period of adoption through a cumulative effect adjustment to the opening retained earnings as of January 1, 2019. The prior period comparative information has not been restated and continues to be reported under the accounting guidance in effect for those periods (ASC 840), including the disclosure requirements. Also, the Company elected to apply a package of practical expedients under ASC 842, which allowed the Company, not to reassess (i) whether any existing contracts, on the date of adoption, contained a lease, (ii) lease classification of existing leases classified as operating leases in accordance with ASC 840 and (iii) initial direct costs for any existing leases. As all existing contracts with charterers, on January 1, 2019, are operating leases and as the Company did not account for initial direct costs related to existing leases at January 1, 2019, there were no amounts to be recorded as a cumulative effect adjustment to opening retained earnings on January 1, 2019. Additionally, the Company, as lessor, elected to apply the practical expedient, to not separate lease and associated non-lease components, and instead to account for each separate lease component and the associated non-lease components as a single component, as the criteria of the paragraphs ASC 842-10-15-42A through 42B are met. There was no cumulative effect from the adoption of the standard to opening retained earnings as at January 1, 2019.

In addition, following the adoption of ASC 842 the Company has recognized a Right of Use ("ROU") asset for the operating lease in relation to the office space leased in Athens, Greece. The lease agreement had a term of more than 12 months; thus, the applicable ROU asset and the lease liability were recognized in the accompanying consolidated balance sheet.

The table below presents charterers that represent more than 10% of the Company's revenue:

% of Company's charter revenue	December 31, 2022	December 31, 2021
Charterer A	100%	32%
Charterer B	-	4%
Charterer C	-	18%
Charterer D	-	19%

2. Significant Accounting Policies- *continued*:

Vessel operating expenses

Vessel operating expenses, which include crewing, repairs and maintenance, insurance, spares and consumable stores, lube oils and communication expenses are expensed as incurred.

Additionally, these costs include technical management fees that are payable to our technical ship managers.

Segment reporting

The Company reports financial information and evaluates its operations by charter revenues and not by the length of ship employment for its customers, i.e., spot or time charters. The Company does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management cannot and does not identify expenses, profitability, or other financial information for these charters. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide (subject to certain agreed exclusions) and, as a result, the disclosure of geographic information is impracticable. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus the Company has determined that it operates under one reportable segment.

Earnings per share

Earnings per share are computed in accordance with guidance related to Earnings per Share. Basic earnings per share are calculated by dividing net income available to common shareholders by the basic weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by the treasury stock method whereby all of the Company's dilutive securities are assumed to be exercised and the proceeds used to repurchase common shares are calculated at the weighted average market price of the Company's common stock during the relevant periods. The incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings per share computation (Note 13).

Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued Accounting Standard Update ("ASU") No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued ASU 2021-01 (Topic 848), which amends and clarifies the existing accounting standard issued in March 2020 ASU 2020-04 for Reference Rate Reform. Reference rates such as LIBOR, are widely used in a broad range of financial instruments and other agreements. The ASU 2020-04 is effective for adoption at any time between March 12, 2020, and December 31, 2022, for all entities and the ASU 2021-01 is effective for all entities as at January 7, 2021 through December 31, 2022.

In March 2021, the FCA announced that the intended cessation date of the overnight 1-, 3-, 6-, and 12-month tenors of USD LIBOR would be June 30, 2023, which is beyond the current sunset date of Topic 848. Because the current relief in Topic 848 may not cover a period during which a significant number of modifications may take place, the FASB issued ASU No. 2022-06 (Topic 848) to defer the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. The Company adopted the ASC 848 for its reporting period commencing January 1, 2022, and there was no effect of this standard on its financial statements.

3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

USD in thousands	December 31, 2022	December 31, 2021
Cash on hand and at banks	478	2,576
Total	**478**	**2,576**

Following the repayment of all loan outstanding balances during the year ended December 31,2021 restricted cash is nil both as at December 31, 2022 and December 31, 2021.

4. Inventories:

Inventories are analysed as follows:

USD in thousands	December 31, 2022	December 31, 2021
Bunkers	-	-
Lubricants	-	54
Total	**-**	**54**

Following the disposal of M/V Resolute Bay on February 22,2022 the value of inventory as of December 31, 2022 is nil (December 31, 2021 $54 thousand)

5. Vessels, Net and Other fixed Assets:

Vessels are analysed as follows:

USD in thousands	Vessel cost	Accumulated depreciation	Net book value
Balance, December 31, 2020	**160,805**	**(23,572)**	**137,233**
Vessel's additions	890	-	890
Depreciation expense	-	(3,513)	(3,513)
Impairment charge	(23,994)	14,966	(9,028)
Vessels' disposal	(129,042)	10,480	(118,562)
Balance, December 31, 2021	**8,659**	**(1,639)**	**7,020**
Depreciation expense	-	(43)	(43)
Vessels' disposal	(8,659)	1,682	(6,977)
Balance, December 31, 2022	**-**	**-**	**-**

On November 24, 2020, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Reunion Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on March 8, 2021, and as a result of the sale the Company recognized a loss of $72 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On February 19, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Liberty Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on March 19, 2021, and as a result of the sale the Company recognized a loss of $48 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On February 19, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Alsea Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on April 22, 2021, and as a result of the sale the Company recognized a gain of $170 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

5. Vessels, Net and Other fixed Assets- *continued:*

On February 19, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Monterey Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on June 29, 2021, and as a result of the sale the Company recognized a gain of $207 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On February 22, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Eden Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on April 6, 2021, and as a result of the sale the Company recognized a gain of $13 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On March 2, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Emerald Bay to a related party (Note 16) on a charter free basis. The vessel was delivered to her new owners on April 14, 2021, and as a result of the sale the Company recognized a gain of $527 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of consolidated statements of Profit and Loss.

On March 24, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Mykonos Bay to an unrelated third party with a charter party attached. The vessel was delivered to her new owners on June 16, 2021, and as a result of the sale the Company recognized a loss of $464 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On June 2, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Jupiter Bay to an unrelated third party with a charter party attached. The vessel was delivered to her new owners on July 9, 2021, and as a result of the sale the Company recognized a loss of $153 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On June 2, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Venus Bay to an unrelated third party with a charter party attached. The vessel was delivered to her new owners on July 27, 2021, and as a result of the sale the Company recognized a loss of $59 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On June 2, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Orion Bay to an unrelated third party with a charter party attached. The vessel was delivered to her new owners on September 7, 2021, and as a result of the sale the Company recognized a loss of $41 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On July 20, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Ha Long Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on October 25, 2021, and as a result of the sale the Company recognized a gain of $4,331 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On July 21, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Kite Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on October 27, 2021, and as a result of the sale the Company recognized a loss of $135 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

On July 22, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Teal Bay to an unrelated third party on a charter free basis. The vessel was delivered to her new owners on October 19, 2021, and as a result of the sale the Company recognized a gain of $4,619 thousand included within "Gain/ (Loss) on vessel disposal" in the accompanying consolidated statements of Profit and Loss.

5.Vessels, Net and Other fixed Assets- *continued:*

As of December 31,2021, the total charge on "Gain on vessel disposal" in the accompanying consolidated statements of Profit and Loss is analysed as per below table.

USD in thousands	**December 31, 2021 Gain/(Loss)**
Teal Bay	4,619
Ha Long Bay	4,331
Emerald Bay	527
Monterey Bay	207
Alsea Bay	170
Eden Bay	13
Resolute Bay	(7)
Orion Bay	(41)
Liberty Bay	(48)
Venus Bay	(59)
Reunion Bay	(72)
Kite Bay	(135)
Jupiter Bay	(153)
Mykonos Bay	(464)
Gain on vessel disposal	**8,888**

On July 22, 2021, the Company entered into a Memorandum of Agreement ("MOA") for the sale of M/V Resolute Bay to an unrelated company with a charter party attached. The vessel was delivered to her new owners on February 22, 2022, and as a result of the sale the Company recognized a gain of $6,965 thousand included within "Gain on vessel disposal" in the accompanying consolidated statements of Profit and Loss for the year ended December 31,2022.

6. Commitments and Contingencies:

a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance, and other claims with suppliers relating to the operations of the Company's vessels.

b) The Company is a member of a protection and indemnity association, or P&I Club that is a member of the International Group of P&I Clubs ("IG"), which covers its third-party liabilities in connection with the vessels' shipping activities. A member of the IG may be subject to supplemental amounts or calls, payable to its P&I Club based on the claim records of all members of the P&I Club.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company's protection and indemnity (P&I) insurance coverage for pollution is $1 billion per vessel per incident.

Following the adoption of ASC 842 "Leases" as discussed in Note 2, the Company has evaluated the impact of the new guidance adopted on the presentation of the operating lease for the Company's offices in Athens. Following the disposal of the management companies (Note 1), the Company derecognized the Right of Use from the consolidated balance sheets.

7. Shareholders' Equity:

On April 14, 2021, the Board of Directors of Pioneer Marine Inc. following the disposal of four vessels declared a cash dividend of $0.98 per outstanding share of company's Common Stock. The dividend was paid on April 28, 2021, to stockholders of record as of April 21, 2021.

On May 24, 2021, the Board of Directors of Pioneer Marine Inc. declared a cash dividend of $0.31 per outstanding share of company's Common Stock. The dividend was paid on June 10, 2021, to stockholders of record as of June 3, 2021.

On June 29, 2021, the Board of Directors of Pioneer Marine Inc. declared a cash dividend of $0.35 per outstanding share of company's Common Stock. The dividend was paid on July 13, 2021, to stockholders of record as of July 5, 2021.

On July 30, 2021, the Board of Directors of Pioneer Marine Inc. declared a cash dividend of $0.75 per outstanding share of company's Common Stock. The dividend was paid on August 13, 2021, to stockholders of record as of August 6, 2021.

On November 1, 2021, the Board of Directors of Pioneer Marine Inc. declared a cash dividend of $1.40 per outstanding share of company's Common Stock. The dividend was paid on November 12, 2021, to stockholders of record as of November 5, 2021.

USD in thousands	**December 31, 2021**
April 14, 2021	24,954
May 24, 2021	7,894
June 29, 2021	8,912
July 30, 2021	19,098
November 1, 2021	35,649
Total Dividend Distributions	**96,507**

On February 22, 2022, following the disposal of the last vessel of the fleet, M/V Resolute Bay, the Board of Directors of Pioneer Marine declared a cash dividend of $0.641 per share of common stock. The cash dividend of $16,332 thousand was paid on March 4, 2022, to shareholders of record on February 25, 2022.

On March 14, 2022, a related party company, controlled by Mr. Papoulis (CEO of Pioneer Marine Inc.) and Mrs. Tapaktsoglou (CFO/Director of Pioneer Marine Inc), acquired 21,015,384 shares held by the Company's major shareholder at that time.

On May 19, 2022 the Board of Directors of Pioneer Marine Inc. resolved the cancellation of 4,867,832 of Company's shares previously held as treasury stock. Following this cancellation, Company's issued and outstanding shares amount to 25,463,715 shares.

8. Long Term Debt:

Following the prepayment of all the loan facilities, no annual principal payments are required to be made after December 31, 2021.

ABN facility: On June 13, 2018, eleven of our ship-owning subsidiaries entered a secured term loan facility with ABN Amro Bank N.V. for an amount of up to $64,400 thousand.

On June 12, 2020, the Company entered into a supplemental agreement for the ABN facility ("First Supplemental Agreement'') whereby it was agreed to defer a portion of the next three quarterly instalments of the facility amounting to $2,953 thousand (the "Deferred Amount"). As a consideration for the deferral, it was agreed that the Company will proceed with a prepayment of $2,953 thousand which was effected on June 15, 2020. The next principal payment for the ABN facility was scheduled on March 2021. The First Supplemental Agreement provided also for an Excess Cash calculation mechanism, commencing from the third quarter of 2020 and applicable up to final repayment of the Deferred Amount.

8. Long Term Debt -*continued*:

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Liberty Bay (Note 5) on March 19, 2021, the Company prepaid the amount of $5,155 thousand (the "Liberty Bay Prepayment") and respective loan securities including but not limited to the Vessel's mortgage, were released. Moreover, on the same date the Company fully prepaid the remaining Deferred Amount of $2,741.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Emerald Bay (Note 5), the Company prepaid on April 14, 2021, the total outstanding amount of $3,223 (the "Emerald Bay Prepayment") thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Alsea Bay (Note 5), the Company prepaid on April 22, 2021, the total outstanding amount of $4,330 (the "Alsea Bay Prepayment") thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Monterey Bay (Note 5), the Company prepaid on June 29, 2021, the total outstanding amount of $4,449 (the "Monterey Bay Prepayment") thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Jupiter Bay (Note 5), the Company prepaid on July 9, 2021, the total outstanding amount of $3,375 (the "Jupiter Bay Prepayment") thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Venus Bay (Note 5), the Company prepaid on July 27, 2021, the total outstanding amount of $3,373 (the "Venus Bay Prepayment") thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Orion Bay (Note 5), the Company prepaid on September 7, 2021, the total outstanding amount of $3,373 (the "Orion Bay Prepayment") thousand and the vessel was released from mortgage and delivered to her new Owners.

On September 24, 2021, the Company fully prepaid the outstanding balance of the loan facility with ABN Amro Bank N.V. amounting to $6,308 thousand. Following the prepayment of the facility, the mortgages of M/V Resolute Bay and M/V Ha Long Bay were released along with the other loan securities.

DVB facility: On September 20, 2018, six of Company's ship-owning subsidiaries entered into a secured term loan facility with DVB Bank SA, Amsterdam Branch for an amount of $29,310 thousand divided into two tranches, Tranche A and Tranche B. The loan bears interest at LIBOR plus a margin and is secured over the respective vessels.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Reunion Bay (Note 5), the Company prepaid on March 8, 2021, the total outstanding amount of $2,915 thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Eden Bay (Note 5), the Company prepaid on April 6, 2021, the total outstanding amount of $3,340 thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Mykonos Bay (Note 5), the Company prepaid on June 16, 2021, the total outstanding amount of $3,920 thousand and the vessel was released from mortgage and delivered to her new Owners.

Pursuant to a Memorandum of Agreement ("MOA") for the sale of the M/V Teal Bay (Note 5), the Company prepaid on September 27, 2021, the total outstanding amount of $3,138 thousand and the vessel was released from mortgage.

8. Long Term Debt -*continued*:

***Sinosure facility**:* On May 19, 2015, as amended on July 22, 2015(“First Supplemental Agreement”) and on August 17, 2017 facility (“Second Supplemental Agreement”) , the ship owning companies of M/V Falcon Bay and M/V Kite Bay together with Pioneer Marine Inc. and Pioneer Marine LLC as guarantors each individually entered into a secured loan facility with ABN AMRO Bank, N.V, Deutsche Bank AG and Norddeutche Landesbank Girozentrale bearing interest at Libor plus a margin and is secured over the respective vessels. The credit facility is repayable in forty consecutive quarterly instalments each in a sum equal to one forty-eight ($1/48^{th}$) of the amount of the loan, which will be advanced on each vessel’s delivery, and a balloon repayment together with the final instalment, commencing three months after the delivery date of each newbuilding.

On June 25, 2019, the Company entered into a supplemental agreement for the Sinosure Facility (“Third Supplemental Agreement”) whereby Lenders, provided their consent to distribute dividends and acquire treasury stock without their prior approval, subject to compliance with the terms of the loan agreement.

Pursuant to a Memorandum of Agreement (“MOA”) for the sale of the M/V Kite Bay (Note 5), the Company prepaid on October 20, 2021, the total outstanding amount of $6,258 thousand and the vessel was released from mortgage.

In accordance with the Sinosure facility an insurance policy (the “Sinosure insurance”) was agreed and commenced upon drawdown of each tranche as per Lenders requirement, The Sinosure insurance cover continued to apply up until the disposal of the mortgaged vessels. Following full prepayment of both traches as result of the sale of the vessels, the applicable remaining insurance premium of $254 thousand was requested and approved to be returned to the Company. Total amount was refunded during the year ended December 31, 2022 and is included within “Other expenses and taxes, net” in the accompanying consolidated statements of Profit and Loss.

As of December 31, 2022, the Company has no outstanding loan balances. During the year ended December 31, 2022, amortization charge was nil (December 31, 2021 $421 thousand).

9. Revenue, Net:

Revenue, net comprises of the following:

USD in thousands	**December 31, 2022**	**December 31, 2021**
Time charter revenues	436	28,239
Less: Address commissions	(16)	(1,039)
Sub Total Revenue	**420**	**27,200**
Commercial Revenue	-	416
Total Revenue	**420**	**27,616**

10. Voyage and Vessel Operating Expenses:

USD in thousands	December 31, 2022	December 31, 2021
Voyage Expenses		
Bunkers consumption	36	241
Agency costs	-	8
Commissions and other voyage costs	(1)	671
Total Voyage Expenses	**35**	**920**

USD in thousands	December 31, 2022	December 31, 2021
Vessel Operating Expenses		
Crew wages and expenses	138	7,494
Lubricants consumption	1	358
Stores, spares, and repairs	34	1,953
Insurance	15	770
Management fee and expenses	24	953
Other operating expenses	50	723
Total Operating Expenses	**262**	**12,251**

During the year ended December 31, 2022, the fleet consisted of one vessels M/V Resolute Bay which was disposed of on February 22, 2022 while during the year ended December 31, 2021, 13 vessels were disposed of.

11. Interest Expenses and Finance Costs, Net:

Interest expense and finance cost, net comprises of the following:

USD in thousands	December 31, 2022	December 31, 2021
Loan interest expense and other finance charges	-	887
Amortization of deferred finance cost	-	421
Interest expense and finance cost, net	**-**	**1,308**

12. Financial Instruments:

The principal financial assets of the Company consist of cash and cash equivalents and trade accounts receivable. The principal financial liabilities of the Company consist of accounts payables and accrued liabilities.

(a) ***Concentration of credit risk:*** Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of trade accounts receivable and cash and cash equivalents. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its trade accounts receivable. The Company places its cash and cash equivalents, with high credit quality financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions.

(b) ***Fair value:*** The carrying values of trade accounts receivable, cash and cash equivalents,accounts payable and accrued liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments. Cash and cash equivalents are considered Level 1 items in accordance with fair value hierarchy as they represent liquid assets with short-term maturities.

12. Financial Instruments-*continued*:

(c) ***Asset Measured at Fair Value on a Non-Recurring Basis:*** During the year ended December 31, 2021, four vessels were recorded at fair value as their future undiscounted net operating cash flows were less than their carrying amount. The fair values of these four vessels amounting to $47,440 in aggregate, were determined through Level 2 inputs of the fair value hierarchy. As of March 31,2021, the Held for Sale classification criteria for M/V Eden Bay were met. The vessel was measured at the lower of the fair value less cost to sell and its carrying value which was also determined through Level 2 inputs of the fair value hierarchy. The difference between the estimated fair value less cost to sell the vessel and the vessel's carrying value amounting to $473 thousand is included within "Impairment" in the accompanying consolidated statements of Profit and Loss.

Details of the impairment charge are noted in the tables below.

(Amounts in $ thousand)		**As of December 31, 2021**
Vessel	**Significant Other Observable Inputs (Level 2)/MOA Prices**	**Loss**
Jupiter Bay	$10,710	$1,851
Venus Bay	$10,710	$1,814
Orion Bay	$10,200	$2,391
Kite Bay	$15,820	$2,499
Eden Bay	$6,300	$473
Total	**$53,740**	**$9,028**

The Company recognized the total impairment loss of $9,028 in the year ended December 31, 2021, which was included in the condensed consolidated statements of Profit and Loss. The fair value of M/V Jupiter Bay, M/V Venus Bay, M/V Orion Bay, M/V Kite Bay and M/V Eden Bay is based on the sale price agreed as per the Memoranda of Agreement entered.

13. Net income Per Share:

	December 31, 2022	**December 31, 2021**
Net income/(loss) (USD in thousands)	7,116	2,655
Weighted average number of common shares outstanding, basic and diluted	25,463,715	25,463,715
Net income per share, basic and diluted in USD	**0.28**	**0.10**

The computation of basic and diluted loss per share is based on the weighted average number of common shares outstanding during the period presented in the table above.

14. Taxes:

The entities which are incorporated in the Republic of the Marshall Islands are not subject to Marshall Islands' income tax in accordance with the income tax laws of the Marshall Islands.

In addition, pursuant to § 883 of the Internal Revenue Code of the United States (the "Code"), U.S. source income from the international operation of ships is generally exempt from U.S. Federal income tax on such income upon meeting certain requirements.

The Company does not meet the exemption requirement and as a result, the Company does not qualify for exemption under § 883 of the Code from the 4 % U.S. Federal income tax on its U.S source gross transportation income which for the year ended December 31, 2022, was nil (2021: $85 thousand) and is included under other expenses and taxes, net in the consolidated statement of Profit and Loss.

15. Related parties:

Following the disposal of Emerald Bay to a related party (Note 5) and up to the disposal of management companies (Note 1), the Company received from the new owners a fixed management fee of $400 per day for the provision of commercial management services presented under caption “Revenue, net” in the accompanying consolidated statement of Profit and Loss.

USD in thousands	December 31, 2021
M/V Emerald Bay	68
Management fees received from Related Party	**68**

On September 30, 2021, after the disposal of management companies to related party, the Company paid a fixed management fee of $400 per day for the provision of commercial management services up to the disposal date of the existing vessels of the fleet, February 22,2022, presented under caption “General and administrative expenses” in the accompanying consolidated statement of Profit and Loss.

On March 14,2022 the Company entered into a service agreement with a related party Company, Pioneer Marine Hellas S.A., whereas the related party company provides to the Company management services against a monthly fee of Euro 4 thousand. According to Addendum No 1 entered on January 1, 2023, the monthly fee was amended to $4.5 thousand.

USD in thousands	December 31,2022	December 31, 2021
M/V Teal Bay	-	8
M/V Ha Long Bay	-	10
M/V Kite Bay	-	10
M/V Resolute Bay	21	37
Pioneer Marine Inc.	37	-
Management fees paid to Related Party	**58**	**65**

USD in thousands	December 31,2022	December 31, 2021
Pioneer Marine Hellas S.A.	11	3
Due to related parties	**11**	**3**

The amount of $11 thousand, ($3 thousand, December 31,2021) included under “Due to related parties” represents the monthly expenses paid by Pioneer Marine Hellas S.A. on behalf of the Company, with an aim to cover various Company’s needs.

16. Subsequent events:

Subsequent events have been evaluated through July 28,2023 the date that the financial statements were available to be issued. There are no significant events that have occurred after the reporting period date that would require adjustment or disclosure in the Company’s consolidated financial statements.